



District 14 e-News

Prepared for you by Representative Hermina M. Morita (District 14, East-North Kaua'i)

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Aloha kākou,

We have approached the halfway mark of this legislative session, where House bills will be crossing over to the Senate, and Senate bills to the House. At this point, if a bill was not scheduled for a public hearing or has not moved out of its final committee in the house it originated from, it is dead.

This issue of my newsletter focuses on education issues. Recent discussion about the state's budget surplus has focused attention on a backlog of repair and maintenance requests in our state's public schools. In addition, the 2006-2007 school year begins the phasing in of the weighted student formula, which is a key element of Act 51, the Reinventing Education Act of 2004.

Currently, there is great concern that a number of schools in our community will see reductions in funding under the weighted student formula (WSF). However, the formula should not be looked at solely in terms of losses or gains for individual schools, but as a means of ensuring that all public schools get a fair share of the limited public funding that is currently available. It should also be kept in mind that the WSF is being implemented over a three-year period so that the Legislature and the Department of Education may make adjustments as needed, especially in analyzing how the WSF is affecting smaller rural schools.

Earlier this year, State Superintendent Patricia Hamamoto published an op-ed piece in *The Honolulu Advertiser* regarding the Department of Education's lack of public funding for repair and maintenance projects in our schools. I have re-printed Superintendent Hamamoto's piece and am sharing additional information about the WSF in the hopes of facilitating further community discussion about these two critical topics.

As the legislative session progresses, I look forward to hearing your thoughts on these and other issues that affect our community. Please do not hesitate to contact me with your concerns.

Mahalo,

MINA MORITA

Hawai'i State Representative

DISTRICT 14, EAST-NORTH KAUA'I



Brimley Sutton of Kapa'a High School and Ericson Abalos and Agustin Garcia of Kaua'i High School met with Rep. Morita on February 3rd. The students spent the day at the Capitol as members of the Secondary Student Conference. Brimley is Rep. Morita's Hanalei Valley neighbor and also a member of the Hawai'i State Student Council.

NUCLEAR POWER IN HAWAII

by Representative Mina Morita

Interestingly, as a result of my newsletters, I have received several e-mails asking me about the potential use of nuclear power in Hawai'i.

From my personal point of view, I see nuclear power as unfeasible because fission reactors are generally 1000 megawatts or more, well beyond the scale of what is practical in Hawai'i statewide. Although some of the newer units may be sized to 500 megawatts and there is even talk of 200 megawatt fission reactors, the economies of scale do not suit Hawai'i's or Kaua'i's needs. And, there are many other challenges.

There are significant issues with the transport of fuel for both fueling and disposal of spent fuel rods. Nuclear plants would also require significant cooling capacity, requiring large quantities of water to be either taken from nearshore waters, or if cooling towers are used, it would take a significant commitment of ground water resources.

(continued on page 2)



NUCLEAR POWER IN HAWAII

(continued from page 1)

But, most importantly, there is a constitutional prohibition in Hawai'i. Article XI, Section 8 of the Hawai'i Constitution, which was adopted during the 1978 constitutional convention and ratified by voters states:

"No nuclear fission power plant shall be constructed or radioactive material disposed of in the State without the prior approval of two-thirds vote in each house of the Legislature."

Another recently asked question concerned the use of decommissioned nuclear submarines for civilian use as power plants. In my staff's research, no one is aware of an example of a decommissioned U.S. Navy sub being exsessed for civilian use. This is probably because of the secret nature of the technology involved and other sensitive and classified information. Even in my staff's attempt to get information regarding the power capacities of these vessels, estimates ranged from 1 megawatt to 20 megawatt for these ship-borne systems from various sources.

The only time a nuclear sub was seriously considered for civilian use was in restoring electrical service to Kaua'i after Hurricane Iwa or Iniki. Use of an active nuclear sub was considered at Nawiliwili to "kick start" electrical generation on Kaua'i because everything was shut down. The option was dismissed when it was learned that the proper connections shoreside were not available, and it was easier for McBryde to start their co-generator, then give some power to the Kaua'i Electric units at Port Allen for a "black start."

ENERGY EFFICIENCY IN SCHOOLS - HB 2175

by Lydi Morgan

This session, Hawai'i's State House of Representatives is considering a bill introduced by the majority that would significantly change our state's approach to energy use and conservation. House Bill 2175 considers five areas for improvement within the state. The bill will:

1. Increase the income tax credit for renewable energy technologies applied to residential and commercial buildings, and remove the 2008 sunset date for these credits in order to make them permanent;
2. Fund photovoltaic (PV) system pilot projects in public schools;
3. Establish energy efficiency requirements for state facilities and vehicles;
4. Allow priority processing of permit applications for those buildings that will meet Leadership in Energy and Environmental Design (LEED) standards; and
5. Establish a pilot "pay as you save" program to encourage residential use of solar water heating.

This year, with high oil prices, there is a broad consensus that something must be done to address Hawai'i's over dependence on imported oil. Hawai'i's state facilities must serve as models for energy efficiency and conservation.

"Part II" of HB 2175 describes a pilot project to install photovoltaic systems at public schools. The Department of Education (DOE) will receive \$5 million for fiscal years 2005-2006 and 2006-2007 to be expended on the program. The DOE will also

determine location of the project sites and ensure that they meet the following objectives:

- At a minimum, four schools are to be selected for the pilot project, with at least one site on each of the islands of Oahu, Hawai'i and Kaua'i, and one in the county of Maui,
- Systems will be installed in conjunction with major roof repairs or replacement to reduce project costs,
- Net metering will be used to offset the cost of the system,
- System costs will be recaptured within three quarters of the useful life of the system,
- When advantageous, energy-saving contracts (such as 3rd party lease contracts) will be used to maximize these objectives.

The DOE will be required to submit interim and final reports to the legislature, no later than 20 days before the beginning of the 2007 and 2008 sessions, respectively.

Photovoltaic systems on schools is an ideal application of the technology since schools operate during the day when the electricity is generated.

Hopefully, schools will be able to reduce their operational cost by generating significant amounts of electricity from renewable sources at a predictable cost. Another advantage is the school will be net-metered and able to "reverse" its meter when excess electricity is being generated from the PV system. This will help lower energy costs thus allowing for more money to be available for classroom programs.

WEIGHTED STUDENT FORMULA

by Representative Hermina Morita

The Weighted Student Formula is a key element of the Department of Education's Reinventing Education Act for the Children of Hawai'i (REACH), which was enacted by the legislature in 2004 as Act 51. Under the Weighted Student Formula (WSF):

- Every student is categorized based on certain characteristics and needs that affect the relative cost of educating that student;
- Beyond the set amount that each school receives for basic needs, additional funding will be allocated according to the WSF. Level of funding will be based on the total of "weights" for all enrolled students instead of the size of their student population. Students are funded, not schools;
- The amount of money associated with a student follows him or her to any school;
- Students may go to the school of their choice, as long as there is room;
- The principal of a school receives a lump sum from DOE and determines how it will be spent. Principals do not receive tenure, and are held accountable for student progress;
- The WSF is an allocation method, and does not affect the amount of money available to the Department of Education;
- The formula applies only to public schools and not to new century charter schools, new century conversion charter schools or private schools.

The Weighted Student Formula will be rolled out in Hawai'i's public schools over four years, beginning with the 2006-07 school year.

Under a properly working WSF

system, proponents claim that schools will be more sensitive to changes in enrollment or demographics.

Overall, funding for the entire public school system has been inadequate. The challenge is to make sure that all schools get a fair share of a too-small pie. It was determined that the way to do this is to base the amount of funding for each school on the actual and specific needs of the children attending that school. That is the purpose of the Weighted Student Formula—to determine the financial needs of the school based on the educational needs of the students, where certain types of needs weigh more than others. For example, a child for whom English is a second language receives a certain weight, a child who is economically disadvantaged receives a certain weight, etc.

The Weighted Student Formula was designed to bring greater fairness to the public school system overall, but the reality is that when you apply the formula, some schools will get more money than before and others less. It is very unfortunate that some have characterized this process as a "win" or a "loss", because basically the DOE is making a correction for the benefit of all. However, the DOE understands that schools need time to adjust to a different funding level.

To make the transition easier, the adjustment will be accomplished over a three-year period. In addition, the Weighted Student Formula gives schools much greater flexibility and authority on how to spend their funds. During the transition period, schools are given the responsibility to reassess their spending and to prioritize their own needs, which I believe will result in even greater cost-efficiency.

While preliminary projections point to a decrease in funding for all Kapa`a Complex Schools, the final figures will not be available until

June 2006. Most important, the incremental correction period will give the Department of Education and the Legislature the time to review the impact to the individual schools, and to make changes to the formula as needed. The continued feedback from caring parents like you is very important to this process and helps to make the educational system better.

\$50,000 RELEASED FOR KAPA`A PUBLIC LIBRARY

Governor Lingle recently released \$50,000 to finance the planning for expansion of Kapa`a Public Library. The project includes site investigation, analysis of development plans, and planning for additional interior space and additional parking stalls.

The Hawai'i State Public Library System (HSPLS) listed this project among its top priorities. They have indicated that the Kapa`a Library is currently undersized with only 6,562 square feet of space.

The plan is expected to be completed by May 2006.

"Our libraries and the public they serve are thrilled that our elected officials have demonstrated that they value public libraries as important community assets," said State Librarian Jo Ann Schindler. "Our libraries are places where everyone is welcome, and we greatly appreciate these funds to make them safe and inviting learning environments."

Representative Morita worked with former Kapa`a Librarian Dale Huber to bring the condition of the Kapa`a Library to the attention of the House Finance Committee so the planning money, the first step to renovation, could be inserted into the State Budget over three years ago. Our office is very happy to see that the Governor understands the importance and need for this renovation.



SCHOOL R & M CALLED TOP LEGISLATIVE PRIORITY

The Legislature's 2006 Majority Package is focused on four major areas: **Public Education**, Economic Development, Housing, and Energy.

For the DOE, the legislators have proposed (1) \$150 million for school repair and maintenance, including retrofitting some schools as disaster shelters; (2) \$80 million in supplemental operating funds, and a (3) \$450 million special fund to support public-private partnerships for construction of new schools using "certificate of participation" funding (COPS).

To provide you with additional information about this subject, I have included an excerpt from a recent letter by State DOE Superintendent Patricia Hamamoto.

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The following letter appeared in The Honolulu Advertiser on January 25, 2006:

MONEY COMMITTED AND BEING SPENT DOE NOT 'SITTING' ON REPAIR FUNDS

*by Patricia Hamamoto
Superintendent of schools*

This is to clarify and correct the false impression that the Department of Education may already have sufficient funding to address the repair and maintenance backlog in our public schools.

Confusion originated with the Department of Budget and Finance's statement that nearly \$600 million is already appropriated for public school repair and maintenance. This claim was repeated in the Legislature's opening-day remarks by Senate Minority Leader Fred

Hemmings ("There are approximately \$570 million on the state books right now for repair and maintenance of schools.") and House Minority Leader Lynn Finnegan ("There is over half a billion dollars currently appropriated to attack the repair and maintenance of our educational buildings and grounds.").

The DOE disagrees with the suggestion that existing funds are available for new projects, since all of the current appropriations, allotments, expenditures and encumbrances are already designated for specific jobs. Our supplemental budget request is for new projects that are currently unfunded.

In the past three years, the Legislature has appropriated \$557 million for school facilities capital improvement projects, which include repair and maintenance Funds, but also cover construction of new schools and classroom buildings. Many are confusing the total CIP appropriation with funding for repair and maintenance alone. In reality, these CIP funds are for major construction and numerous compliance projects — as well as repair and maintenance.

As of Dec. 31, only \$344 million of that \$557 million total CIP budget appropriation has been released by the executive branch.

From that amount, \$195 million has either been spent (\$114 million) or encumbered (\$81 million). Of the allotted balance, \$74 million will be encumbered by the end of this fiscal year, and the remaining \$75 million (most of which was released in December 2005) will be

encumbered for already-designated projects by June 30, 2008. School CIP projects involve a multi-year process that advances from planning and design stages through final construction. Repair and maintenance projects are selected from a lengthy prioritized list that represents a considerable backlog. Whatever funds the 2006 Legislature provides for repair and maintenance will already have projects waiting.

The Board of Education's FY2007 supplemental CIP budget request is for \$368.1 million, which includes \$160 million for whole school classroom renovations at 96 schools and \$100 million for other major repair and maintenance projects. Without this funding, the backlog will likely grow, and the public demand for improving the learning environment at our public schools will remain unfulfilled.

Want to Make a Contribution to Help Support Public Schools?

Hawai'i tax filers can provide additional support to public school facilities and public libraries through voluntary contributions on their state income tax returns.

By checking off a box on state tax forms N-11, N-12, N-13, and N-15 under "contributions," Hawai'i filers can donate to the Hawai'i Schools Repairs and Maintenance Fund or to the Hawai'i Public Libraries Fund.

For each fund, you can contribute \$2, which will either be subtracted from your refund or added to your amount owed.

Over the past three years, contributions to these two funds have raised a total of \$351,740.

TASK FORCE RECOMMENDATIONS FOR HOUSING AND HOMELESSNESS

by Nina Quichiz

In January, the Joint Legislative Housing and Homeless Task Force issued its final report and recommendations on addressing affordable housing issues during the 2006 legislative session.

For many Hawai'i residents, the cost of housing in our state is no longer "affordable." In fact, the recent Task Force report found that 32 percent of Hawai'i households spend an estimated thirty- percent of their income on housing costs. In part because of this high cost of living, Hawai'i's homeless population has more than doubled from over 90,000 in 1992 to an estimated 220,000 individuals in 2003.

In response to our state's growing housing problem, the Legislature passed Act 196 in 2005 which, among other things, created the Task Force in the hopes of developing more immediate solutions to Hawai'i's housing shortage and addressing the needs of our growing homeless population.

The Task Force, which included Kaua'i's Senator Gary Hooser and Representative Ezra Kanoho, researched and met with key community stakeholders during the summer and fall of 2005, including Mayors, County Council members, State and County Housing officials, private companies, and non-profit organizations. After a series of meetings, public hearings, briefings, roundtable discussions

and site visits to the various counties, the Task Force developed the various recommendations released in last month's report.

The final report issued by the Task Force set a goal of building 10,000 to 15,000 affordable units throughout the state within the next five years. The report also proposed spending \$40 million to support homeless shelters and service providers.

Other recommendations by the Task Force include:

- Identifying private and public lands available for affordable housing developments;
- Encouraging the development of self-help ownership housing on small state-owned parcels and appropriating \$2 million over five years for construction loans for 50 self-help homes;
- Appropriating \$50,000 for a study to identify available land from private estates for affordable housing;
- Requiring that State agencies give affordable housing projects priority processing and amend State law to improve and streamline the fast-track permitting process;
- Requesting that the counties establish expedited permitting for affordable housing projects and appropriate \$650,000 for implementation;
- Appropriating \$50,000 to study the feasibility of placing federal public housing projects under private ownership;
- Providing tax breaks to landlords of apartment complexes who maintain units as affordable rentals and encouraging landlords to accept Section 8 vouchers by providing a general excise tax holiday equivalent to one month of rent for each unit;
- Considering State acquisition of government-subsidized affordable housing projects that are about to convert to market-priced housing over the next five years.

Many of these suggestions have been included in HB 2176 HD2, Relating to Housing. This bill passed third reading in the House and will crossover for consideration to the Senate.

In addition to these legislative proposals, State and County officials on Kaua'i are also taking steps to address the lack of housing for residents on our island. The County of Kaua'i is currently implementing "fast track" permitting procedures to expedite a number of affordable housing projects by private developers, nonprofit organization, and the Department of Hawaiian Home Lands (DHHL). With the use of this process, 398 affordable units (212 for sale and 186 for rent) are anticipated to be built by the end of 2007. The Kaua'i Economic Opportunity also recently broke ground for the island's first emergency homeless shelter and transitional housing project in Lihue.

